

# APPENDIX H

### Special Provisions

#### UNE Ordering Performance Measures:

Verizon-MA will provide an additional \$1,083,333 in monthly bill credits for UNE Order Confirmation Performance based on four POTS metrics included in the MOE category. If on-time performance falls below 90% for any month, a credit of \$270,833 for each metric missing the standard will be distributed like the bill credits under Critical Measures. Funding for these credits will be taken from funds that are unused in 6 previous months or from the current month. No new funds are available. The metrics and standards are as follows:

| Metric # | POTS Electronically Submitted | Threshold |
|----------|-------------------------------|-----------|
| OR-1-04  | % On Time LSRC < 10 Lines     | < 90%     |
| OR-1-06  | % On Time LSRC ≥ 10 Lines     | < 90%     |
| OR-2-04  | % On Time Reject < 10 Lines   | < 90%     |
| OR-2-06  | % On Time Reject ≥ 10 Lines   | < 90%     |

#### Flow Through:

An additional \$5.4 Million per year is available for flow through performance. Two performance measures for UNE from the Carrier to Carrier Performance Guidelines will be used to measure performance with the performance scores set forth below.

| Metric # |                                 | Threshold |
|----------|---------------------------------|-----------|
| OR-5-01  | % Flow Through – Total – UNE    | ≥ 80%     |
| OR-5-03  | % Flow Through – Achieved – UNE | ≥ 95%     |

For each measure, the UNE scores will be combined and reviewed on a quarterly basis. If the combined score meets either target, no additional credits are due. If the combined score meets neither metric target for that quarter, then \$1,350,000 will be credited to all CLECs purchasing UNEs based on the number of lines in service. Lines in service will equal: UNE-P, UNE Loops, IOF, and EEL Loops. Performance will be measured for the first time under this measure upon Verizon-MA's entry into the InterLATA market. The prior three months will be examined to determine if bill credits are due.

The following table demonstrates the calculation of quarterly flow through performance:

### Quarterly Flow Through Performance:

|   | Month 1 | Month 2 | Month 3 | Quarter Total |
|---|---------|---------|---------|---------------|
| Total Orders that Flow Through<br><i>UNE</i>              | 15000   | 18000   | 17000   | 50000         |
| Total Orders Processed<br><i>UNE</i>                      | 25000   | 21000   | 22000   | 68000         |
| Total % Flow Through - UNE Combined for Quarter:          |         |         |         | 73.5%         |
| Total Orders that Flow Through<br><i>UNE</i>              | 15000   | 18000   | 17000   | 50000         |
| Total Orders Designed to Flow Through:<br><i>UNE</i>      | 18000   | 19000   | 18000   | 55000         |
| Total % Achieved Flow Through - UNE Combined for Quarter: |         |         |         | 90.9%         |

In this example, neither metric met the performance threshold, therefore, \$1,350,000 would have been credited to all CLECs purchasing UNEs.

### Additional Hot Cut Loop Performance Measures:

An additional \$13 Million per year is available for Hot Cut Loop performance. This measure will be composed of two performance metrics: PR-4-06 – “% On Time Hot Cut Loop” and PR-6-01 – “% Installation Troubles within 7 Days – Hot Cut Loop.”<sup>1</sup> If either one of these thresholds is missed, additional bill credits will be distributed to the CLECs.

This measure has two tiers of performance standards. Tier I will be applied to a two month scenario, and Tier II will be applied to a one month scenario. The Tier I threshold is measured based

<sup>1</sup> These two measures are also included in the Critical Measurements method, and additional bill credits may be due if Verizon-MA does not satisfy that Critical Measure.

on two consecutive months of performance, while the Tier II threshold is measured based on an individual month's performance. The performance thresholds are contained in the table below:

| Metric # |  | Tier I Threshold | Tier II |
|----------|--|------------------|---------|
| PR-4-06  | % On Time Hot Cut Loop <sup>2</sup>                  | < 90%            | < 85%   |
| PR-6-01  | % Installation Troubles within 7 Days – Hot Cut Loop | ≥ 3.00%          | ≥ 4.00% |

Under Tier I, if Verizon-MA does not satisfy the above standards for two consecutive months, it will distribute \$541,666 million to the affected CLECs. Under Tier II, if Verizon-MA does not satisfy the above standards for a single month, it will distribute \$1,083,333 million to the affected CLECs. Below is an example of how this measure would work.

Example:

| Metric # |  | Performance For Month 1 | Performance for Month 2 | Performance for Month 3 | Performance for Month 4 |
|----------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| PR-4-06  | % On Time Hot Cut Loop                               | 84%                     | 91%                     | 91%                     | 91%                     |
| PR-6-01  | % Installation Troubles within 7 Days – Hot Cut Loop | 2%                      | 3.5%                    | 2%                      | 3.5%                    |
|          | Credit for the Month                                 | \$1,083,333             | \$541,666               | \$0                     | \$0                     |

In month 1, Verizon-MA did not satisfy the more stringent requirements of Tier II and \$1,083,333 in bill credits would be due.

In month 2, Verizon-MA satisfied the performance standard under Tier II, but not the less severe standard under Tier I. Bill credits would be due, however, because Verizon-MA failed to meet the Tier I standard two months in a row. (Month 1 counts against Verizon-MA.)

In month 3 both the Tier I and II standards were met, Verizon-MA would owe nothing.

In month 4, the Tier I performance standard was not met, but no bill credits would be due since Tier I requires Verizon-MA to fail these performance standards two months in a row. Verizon-MA service in

month 3 was satisfactory. Month 5 would determine whether bill credits would be due under either Tier I or Tier II.

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<sup>2</sup>

% On Time – Hot Cut Loop performance will be adjusted such that any missed appointment for customer reasons – due to late FOC will be counted as a miss.